

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION
OF CHESAPEAKE UTILITIES
CORPORATION TO ESTABLISH A
VALUATION PROCESS AND PRICING
STRUCTURE FOR PROPANE COMMUNITY
GAS SYSTEM ACQUISITIONS
(FILED FEBRUARY 4, 2016)

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) PSC DOCKET NO. 16-0161
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ORDER NO. 9255

AND NOW, this 24th day of July 2018, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on February 4, 2016, Chesapeake Utilities Corporation ("Chesapeake" or "Company"), filed an application (the "Application") requesting Commission approval of the following items relating to the acquisition of a propane community gas system ("CGS") located within Chesapeake's Delaware Division territory and subsequent conversion of the CGS to regulated natural gas service: (1) a comprehensive and transparent CGS valuation process; (2) the proper accounting treatment to be used for ratemaking purposes; and (3) a natural gas pricing structure for CGS customers who convert to natural gas service; and

WHEREAS, on March 15, 2016, the Delaware Division of the Public Advocate ("DPA") exercised its statutory right of intervention; and

WHEREAS, on August 9, 2016, based upon numerous discussions between Commission Staff ("Staff") and the DPA, the Company filed a supplement to its Application to include a confidential attachment containing a recently completed CGS conversion as a real life example ("Supplemental Application"); and

WHEREAS, on October 18, 2016, the Commission adopted Order No. 8965, establishing a deadline for intervention, assigning the matter to a Hearing Examiner, and directing the Company to issue a form of public notice; and

WHEREAS, after filing the Supplemental Application, Staff and the DPA served informal data requests on the Company and continued to meet several times over the course of a year to discuss the case. Based on the feedback the Company received from Staff and the DPA, and on further internal discussions, the Company decided to substantially re-work its CGS proposal and advised the Parties it would file an application under a new docket number; and

WHEREAS, on June 29, 2018, Chesapeake filed with the Commission an application, which has been docketed as PSC Docket No. 18-0933, pursuant to 26 Del. C. §§ 201, 301, and 304, requesting approval of the following items relating to the acquisition and conversion of propane community gas systems to regulated natural gas service located within Chesapeake's Delaware service territory: (1) establish the regulatory accounting treatment and valuation for Chesapeake's acquisition of certain CGSs; (2) approve a methodology to set new distribution rates for CGS customers; and (3) approve the creation of a new system-wide tariff rate that will recover CGS conversion costs; and

WHEREAS, the Company, Staff, and the DPA (collectively, "the Parties") have agreed to consider Chesapeake's request in its most recent CGS filing made on June 29, 2018 (PSC Docket No. 18-0933) and request that the Commission now formally close PSC Docket No. 16-0161;

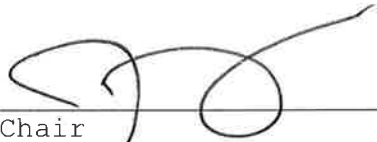
**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. The Parties have agreed to consider Chesapeake's CGS proposal as filed under PSC Docket No. 18-0933.

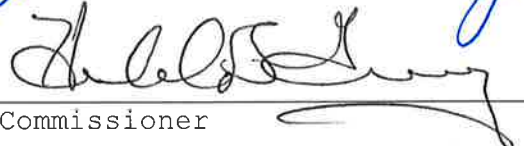
2. The Commission agrees that work in PSC Docket No. 16-0161 has been concluded with the filing of PSC Docket No. 18-0933 and that for administrative purposes PSC Docket No. 16-0161 should hereby be considered closed.

3. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:


Chair


Commissioner


Commissioner


Commissioner

Commissioner

ATTEST:


Secretary

